

EXHIBIT “B”

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<p style="text-align: right;">Page 1</p> <p>IN THE FEDERAL COURT OF THE MIDDLE DISTRICT OF ALABAMA</p> <p>CIVIL ACTION NUMBER 2:06CV-377-WKW</p> <p>PIONEER SERVICES, INC., Plaintiff, vs. AUTO-OWNERS INSURANCE COMPANY, Defendant</p> <p>THE VIDEO TAPED DEPOSITION TESTIMONY OF: WILLIAM BARRETT</p> <p>February 2, 2007 9:55 a m</p> <p>COURT REPORTER: Gwendolyn P. Timbie, CSR</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p>	<p>the parties may make objections and assign grounds at the time of trial or at the time said deposition is offered in evidence, or prior thereto</p> <p>Please be advised that this is the same and not retained by the Court Reporter, nor filed with the Court</p>
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<p style="text-align: right;">Page 2</p> <p>STIPULATIONS</p> <p>IT IS STIPULATED AND AGREED by and between the parties through their respective counsel that the deposition of WILLIAM BARRETT, may be taken before Gwendolyn P. Timbie, Certified Shorthand Reporter and Notary Public, State at Large, at the law offices of Morrow, Romine & Pearson, Montgomery, Alabama, on February 2, 2007, commencing at approximately 9:55 a m</p> <p>IT IS FURTHER STIPULATED AND AGREED that the signature to and the reading of the deposition by the witness is waived, the deposition to have the same force and effect as if full compliance had been had with all laws and rules of Court relating to the taking of depositions</p> <p>IT IS FURTHER STIPULATED AND AGREED that it shall not be necessary for any objections to be made by counsel to any questions, except as to form or leading questions, and that counsel for</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p>	<p>INDEX</p> <p>EXAMINATION BY: PAGE NO:</p> <p>Mr Hall 9</p> <p>Certificate 175</p> <p>LIST OF EXHIBITS</p> <p>EXHIBITS: PAGE NO:</p> <p>Plaintiff's 11 98</p> <p>Plaintiff's 12 166</p>
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1 thing he would do is check coverage, make
 2 sure that there's a policy in force
 3 covering the -- that date of loss and
 4 what's being reported And then the next
 5 thing would be contact --

6 Q The customer?

7 A Yes

8 Q All right

9 A From there, you would

10 determine what the needs of the claim were
 11 from that -- hopefully from that initial
 12 contact and then proceed Make -- make
 13 appointments Do whatever is necessary on
 14 that particular claim

15 Q All right When a claim comes
 16 from an insured or a customer up to
 17 Auto-Owners, is it reported directly to
 18 the Montgomery branch office, or does it
 19 go somewhere else and then come back down
 20 to Montgomery?

21 A Usually they report to their
 22 local agent, who reports directly to the
 23 branch office

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1 Q Montgomery, the branch office
 2 in Montgomery for Auto-Owners, would
 3 receive claims notifications from the
 4 agents within Montgomery's territory?

5 A Yes

6 Q All right How would you get
 7 those? By fax or by e-mail or how?

8 A Either by fax or by mail

9 Q We've had some testimony about
 10 preprinted claim forms, when a substantial
 11 storm would move through an area and
 12 Auto-Owners would send out these forms
 13 Where were those generated?

14 A Lansing

15 Q All right That came from the
 16 home office, and they went to each agent's
 17 office?

18 A Yes

19 Q And would -- if those were
 20 filled out by the agent on behalf of a
 21 customer that had a claim, they were faxed
 22 to the Montgomery branch office?

23 A Yes.

1 Q All right So when that came
 2 in, Montgomery -- or the office here in
 3 Montgomery would be the initial
 4 investigating part of Auto-Owners?

5 MR. PEARSON: Object to form.

6 A If there has been an occasion
 7 to have preprinted loss notices, you don't
 8 operate in a manner that you would when
 9 those things are not required

10 Q Okay

11 A That means that you've had a
 12 catastrophe

13 Q Yes, sir

14 A Everybody in the world has a
 15 claim

16 Q Yeah

17 A There is not sufficient time
 18 to go step by step by step

19 Q Okay

20 A So they're going out in bulk,
 21 and you're making bulk assignments to
 22 independent adjusters And you're
 23 juggling at that point

1 Q All right Well, then let's
 2 talk about the -- that process during a
 3 catastrophe scenario, where a hurricane,
 4 for instance, comes through and you have
 5 mass claims.

6 How did the Montgomery branch office
 7 handle assignment of the excess work or
 8 the extra work to third-party adjusters?

9 A They would be -- the third
 10 party as you call them, the independent
 11 claims firms, would have been pre-noticed
 12 that they're going to be receiving work
 13 from us They would -- in some cases,
 14 they would set up temporary locations to
 15 receive work from us

16 Q Where would they set those up?

17 A Well, some did; some didn't.

18 Mobile -- for instance, GAB We talked
 19 about them They set up a storm office in
 20 Mobile and began receiving from us there
 21 United Storm Adjusters received in their
 22 office in Tampa and then electronically
 23 disbursed to their adjusters. The other

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1 group, who I can't think of their name
 2 right now, set up an office in Mobile as a
 3 temporary office and set up faxes and
 4 whatnot to receive from us, and then they
 5 disbursed electronically
 6 But in the hurricane setting, they
 7 would come -- we were receiving claims
 8 hundreds at a time So we were
 9 determining where they should go, whether
 10 they should go to United Storm Adjusters
 11 or GAB or Cat Crew or Catastrophe
 12 Specialists or whomever, and we would send
 13 them a hundred at a time.
 14 Q How would you decide which
 15 claims to send to third-party adjusters
 16 rather than keep them in-house?
 17 A Most everything that was on a
 18 preprinted loss notice would go out That
 19 would be a -- that would be a hurricane
 20 claim And most all the hurricane claims
 21 went out.
 22 Q To third-party adjusters?
 23 A Yes

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1 Q Can you think of a reason why
 2 a hurricane claim would be kept with an
 3 in-house -- an Auto-Owners field claims
 4 representative?
 5 A It could be -- I don't know of
 6 one specifically, but it could be that
 7 there was a coverage issue or an issue
 8 that the independent didn't need to handle
 9 it It needed to be handled by staff
 10 Q Are there any criteria that
 11 you're aware of that Auto-Owners would
 12 have used to decide why a specific claim
 13 might stay with an Auto-Owners claim rep
 14 rather than going to a third-party
 15 adjuster?
 16 A Not really. Generally, if
 17 they were on -- if they were preprinted
 18 loss notices, they were -- they were
 19 Hurricane Ivan or whatever the catastrophe
 20 would be, they were -- then they would be
 21 assigned down
 22 Q Is there a -- any
 23 differentiation within Auto-Owners on

1 these preprinted claims forms for property
 2 damage versus contents damage, where you
 3 might keep some in-house and send others
 4 to third-party adjusters?
 5 A No
 6 Q Would it be unusual for an
 7 insured customer to have part of their
 8 claim handled by GAB Robins and part of it
 9 handled by an Auto-Owners field claim --
 10 claims representative?
 11 A Not necessarily It's
 12 situational, so I wouldn't see that as
 13 really unusual
 14 Q All right What kind of
 15 documents does Auto-Owners send to its
 16 insureds during the administration of a
 17 claim?
 18 A They may receive a blank proof
 19 of loss in order to fulfill the policy
 20 requirements of filing They may receive
 21 personal property inventories to assist
 22 them in preparing an inventory of loss. I
 23 don't really know of another document that

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1 they would receive
 2 Q Okay Let me stop for just a
 3 moment and change out the disk
 4 MR. HALL: This is the end of
 5 disk one of William Barrett's deposition
 6 11:03 a.m.
 7 (Recess taken to change out supplies)
 8 11:04 a.m.
 9 MR. HALL: All right We're
 10 back on the record with disk two of
 11 William Barrett's deposition on February
 12 2, 2007
 13 Q (BY MR. HALL) Mr. Barrett, we
 14 were discussing documents generated by
 15 Auto-Owners that would have been sent to
 16 the insureds in the normal process of a
 17 claim And you've told me about a proof
 18 of loss -- a preprinted proof of loss,
 19 perhaps Are there other kinds of proof
 20 of losses forms?
 21 A No.
 22 Q Is there a form that's kept in
 23 the agent's office for losses that don't

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1 the building that allows water to cause
2 damage, but it's a wind claim?
3 A Yes.
4 Q All right. And so the home
5 office could run for you, as a manager, a
6 report based on date of loss and cause of
7 loss, and they can get that back to you.
8 How long would it take them to get a
9 report like that to you?
10 A A couple of days.
11 Q And they would fax that to you
12 or e-mail it?
13 A Generally -- generally, that
14 was mailed because it was voluminous.
15 Q Would they -- all right. You
16 say "voluminous." It doesn't come back
17 with a number? It comes back with a list
18 of the claims?
19 A Yes.
20 Q What information about each
21 claim would be on that list?
22 A It would probably be name,
23 claim number, date of loss

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1 Q Cause of loss?
2 A It would possibly have a cause
3 code on it.
4 Q What are "cause codes"?
5 A Numeric codes for different
6 causes of loss.
7 Q And do you recall, just from
8 memory, what those codes are for wind
9 damage?
10 A Wind was twenty-three.
11 Q What about lightning?
12 A Thirteen.
13 Q Is rain a cause code?
14 A No.
15 Q All right. What would be
16 water damage? Would that fall under the
17 wind because it opened the roof?
18 A It would be -- it would be
19 wind.
20 Q All right. Can you give me an
21 example of some other cause codes that you
22 remember?
23 A Hail is fifty-three, extended

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1 coverage is twenty-two, fire is ten,
2 incendiary fire is twelve.
3 Q "Incendiary" meaning set by
4 someone?
5 A Yes.
6 Q All right. What about
7 electrical damage that's not lightning?
8 Is there a cause code other than the
9 lightning?
10 A I don't think so. I think
11 that would fall into the "all other,"
12 which would be a ninety. I think
13 that's...
14 Q Can you restrict that loss run
15 to the Montgomery claims office?
16 A Yes.
17 Q And can you restrict it to a
18 territory within the claims office?
19 A You could -- I don't know.
20 No. I don't think you could do that. You
21 could -- you can narrow it down to a
22 ZIP code, probably.
23 Q Oh, all right. Can you do it

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1 by adjuster, assign the file?
2 A Yes.
3 Q And can they go back and get
4 this information for not just what's
5 pending now, but for a prior date and
6 time?
7 A I think so.
8 Q What is needed to properly
9 adjust a claim for damage to a building?
10 Before, you talked about a proof of
11 loss and an inventory of personal
12 property. This may be the same thing, and
13 tell me if it is. But what -- what does
14 an adjuster or a field claim rep need to
15 adjust a property -- I mean, a building
16 damage claim?
17 A To adjust a claim?
18 Q Yes, sir. And then tell me if
19 that's not the right term.
20 A Yeah.
21 Q To adjust the claim meaning --
22 A Right.
23 Q -- determine what should, if

22 (Pages 85 to 88)